

REMARKS

Claims 1-3, 5-12 and 14-17 remain in this application. Claims 1 and 9 have been amended, without prejudice to applicant's right to pursue claims of equivalent or broader scope in a subsequent continuation application. Support for the amendments may be found, among other places, at page 11, lines 4-7 and page 11, line 24 – page 12, line 12.

The Examiner rejected claims 1-3, 8-12 and 17 under 35 U.S.C. § 102(e) as anticipated by Kahn. These rejections are respectfully traversed.

Kahn discloses a system for identifying, managing and tracking digital objects, i.e., a digital rights management system for conventional digital data. According to Kahn, digital objects are deposited in a repository, from whence copies of the objects may be downloaded to those purchasing a license or other right. See, e.g., section titled "Obtaining a Digital Object from a Repository," beginning at col. 22, line 26. Also, Kahn is not concerned with gaming or the operation of virtual environments in connection with gaming. Kahn therefore fails to disclose or suggest a method or system

providing virtual properties configured for use in a computer game operable in a memory of said server, said virtual properties existing solely in virtual form within a computer network;

assigning ownership of the virtual properties to a plurality of property owners participating in the computer game, said ownership configured through said computer game such that said property owners are permitted to use said virtual properties in said computer game but are not permitted to possess a digital copy of any of said virtual properties;

as defined by claims 1 and 9.

Limitations similar to those set forth above were formerly contained in a "wherein" clause, and therefore were expressly given little patentable weight. Office Action, page 3. As presently phrased, the limitations should be accorded full patentable weight, and clearly distinguish claims 1 and 9 from Kahn. Failing to disclose every element of claims 1 and 9, Kahn therefore cannot anticipate these claims. The remaining claims

are also allowable, at least as depending from an allowable base claim. These rejections should therefore be withdrawn.

The Examiner rejected claims 5-7 and 14-16 under 35 U.S.C. § 103(a) over Kahn and Martinez. These rejections are respectfully traversed. Kahn is deficient with respect to claims 1 and 9, as noted above. Martinez does not make up for the deficiencies of Kahn.

Martinez discloses a computer-implemented system of ownership and property transfer, including objects for use in game environments such as tools, characters, keys, spells, levels, abilities and behaviors. Page 13, lines 1-20. These game objects are transferred or otherwise identified to a game server at the beginning of game play. Page 17, lines 13-14. According to Martinez, "possession equals ownership" and digital keys required for ownership transfer reside at the client machines. Page 17, lines 8-9; page 17 lines 16-18. Transactions are performed by transferring objects to a game server or broker; objects are transferred back to clients at the conclusion of a game or brokering period. Page 21, lines 14-15; page 18, lines 19-25.

Martinez therefore fails to disclose or suggest a method or system in which ownership is assigned "configured through said computer game such that said property owners are permitted to use said virtual properties in said computer game but are not permitted to possess a digital copy of any of said virtual properties," as defined by claims 1 and 9. Failing to disclose or suggest every element of claims 1 and 9, the combination of Kahn and Martinez does not support a *prima facie* case of obviousness against these claims. Claims 5-7 and 14-16 are also allowable, at least as depending from allowable base claims. These rejections should therefore be withdrawn.

In view of the foregoing, the Applicants respectfully submit that Claims 1-17 are in condition for allowance. Reconsideration and withdrawal of the rejections is respectfully requested, and a timely Notice of Allowability is solicited.

To the extent it would be helpful to placing this application in condition for allowance, the Applicants encourage the Examiner to contact the undersigned counsel

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and conduct a telephonic interview.

To the extent necessary, Applicants petition the Commissioner for a two-month extension of time, extending to October 19, 2006, the period for response to the Office Action dated May 19, 2006. The Commissioner is authorized to charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 50-3683.

Respectfully submitted,



Jonathan Jaech
Attorney for Applicants
Registration No. 41,091

Date: October 19, 2006

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PATENT TRADEMARK OFFICE

Connolly Bove Lodge & Hutz LLP
355 South Grand Avenue
Suite 3150
Los Angeles, CA 90071-1560
(213) 787-2500